

*Sponsors of Health Care Costs: Businesses, Households, and Governments, 1987-2006*

*Summary*

Ultimately, the financial burden of health care costs resides with businesses, households and governments that pay insurance premiums, out-of-pocket costs, or finance health care through dedicated taxes or general revenues. These sponsors frequently decide what health care plan is offered, who is eligible to participate in the plan, what cost-sharing arrangements (premiums, co-payments and deductibles) will be imposed, as well as how much coverage will be available. As health care cost burdens change, the decisions made by businesses and households are altered, as are policy responses by government.

In this year of historic change the sponsor analysis reveals some of the underlying shifts in payment responsibility divided among the sponsors of health care. In 2006, full implementation of the Medicare Part D benefit caused major shifts in the underlying funding distribution for the sponsors of health care spending, while leaving the total distribution relatively unchanged. The net effect, from a sponsor perspective, is an overall increase in federal spending as a share of total Health Services and Supplies (HSS) significant increases in general revenue spending for Medicare more than offset decreases in federal general revenue spending for Medicaid. This reverses a 5 year trend of overall slowing growth in federal spending for health care.

The level of spending for health care services and supplies (HSS), a subset of the National Health Expenditures, reached just under \$2.0 trillion, with overall relatively

stable growth of 6.6 percent in 2006. Although growth in federal government spending accelerated to 9.2 percent in 2006 as Medicare Part D was fully implemented, overall HSS growth was tempered as household sector health spending grew 6.2 percent and state and local government health spending growth slowed to 5.8 percent, a ten-year low in annual growth. Private Business spending growth has remained relatively stable for the past three years at 5.7 percent in 2006. [Table 1].

Remarkably, the percent of HSS spending paid by private business continues to remain at around 25 percent since 1987, with the largest share of private business spending devoted to employer contributions to Private Health Insurance (PHI) plans on behalf of their employees [Table 2]. Since 2000, the private employer share of employer-sponsored PHI has declined almost 2 percentage points, from 74.7 percent to 73.0 percent in 2006 [Table 4]. This decline is due in part to the continued reduction in plan offerings from small businesses from 2001 through 2005 (which generally have larger employer contributions for family plans).<sup>1</sup> Also contributing to this lower employer share are continued shifts in costs to employees through changes in plan structures. Since 2001, the federal and state and local governments, on the other hand, have generally maintained their contribution levels at around 73 percent and 80 percent, respectively. In 2006, the sponsor methodology moves the retiree drug subsidy (RDS) payment from the employer share of private health insurance paid by businesses and state and local governments to the Medicare program under the federal government category.

In 1987, households paid 39 percent of HSS and were the largest sponsors of health care. By 1997, household's share of HSS spending fell to 34 percent, then to 31

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<sup>1</sup> KFF/ HRET Annual Employer Health Benefits Survey, 2007.

percent in 2005 and 2006. The decline in the share households paid from 1987 to 1997 was primarily due to the increased enrollment in managed care plans, which tended to have lower cost sharing (out-of-pocket) requirements and lower premiums. This 3-percentage point reduction in the household share from 2000 to 2005 can be partially explained by the continued decline in the proportion of health care paid by out-of-pocket payments. In 2006, households' experienced growth of 38 percent for Medicare premium payments due to the one-time impact of the addition of Part D premiums [Table 3]. A small offset to this growth was the slowdown in out-of-pocket spending due in part to the reduction in out-of-pocket spending for prescription drugs caused by the Medicare prescription drug coverage. Using the share of household health spending to adjusted personal income as a measure of burden, this share has remained relatively flat since 2003 at slightly below 6 percent as personal income growth has been relatively strong recently. [Figure 1]

Since 2001, growth in federal government spending has outpaced all other sponsors in five out of the past six years due mainly to the acceleration of the federal portion of Medicaid and Medicare costs. Despite this trend, federal spending growth has been slowing from 2001 to 2005 as Medicaid and other programs growth have slowed over the period. Recent Medicare program growth has outpaced dedicated tax and premium revenues growth, contributing to the rise in general revenues payments for the program, from a 28 to 37 percent share from 2001 to 2006. [Table 5] In 2006, full implementation of Medicare Part D contributed to a 29-percent growth in federal spending for Medicare reversing the recent overall federal spending slowdown. The impact of Part D can be illustrated by looking at share of federal health spending devoted

to Medicare and Medicaid in 2005 and 2006. Although these two programs together accounted for an identical 74 percent of federal spending in both years, underlying the share was a dramatic movement. From 2005 to 2006, the Medicare program increased in share from 29 to 34 percent, while the Medicaid program was offset by roughly the same share, falling from 45 to 40 percent. This shift is mostly explained by Medicare Part D spending growth combined with funding for the prescriptions of the dually eligible beneficiaries that shifted from Medicaid to Medicare. The assets (or surpluses) of the Medicare Hospital Insurance (HI) trust fund are recorded as special interest bearing treasury obligations, which are, in this analysis, intermingled with all other general revenue. These additions to the Medicare HI trust funds are then used to offset the difference between program outlays and the dedicated financing sources of Medicare. The dedicated financing sources are HI payroll taxes, the HI share of income taxes on Social Security benefits, beneficiary premiums, and Part D State phase-down payments. (Trustee's Report, 2007)

Historically, Medicaid bears the heaviest financing burden on the federal government, at times almost half of all federal spending on health care [Table 2]. With no dedicated tax to fund the program, federal contributions to Medicaid are made up entirely of general revenue funding. As Medicaid is a program for the poor and medically indigent, when the economy falters demand for services will increase as more people become eligible for services. The recession of 2001 caused substantial Medicaid funding problems for state governments, prompting Congress to act by temporarily increasing the federal government share of Medicaid spending in an effort to aid states. Following that period growth in Medicaid spending by the federal government slowed

significantly in 2005 to 5.2 percent from 6.9 percent in 2004, due to the expiration of the higher federal matching rate that was in place part of 2003 and 2004 [Table 3]. With the implementation of Part D in 2006, federal Medicaid spending fell for the first time in program history as federal prescription drug spending paid for by the Medicaid program was reduced by over \$10 billion dollars.

The share of federal revenues <sup>2</sup> going to fund health care (a measure of burden for the federal government) has almost doubled from 17 percent in 2000 to 32 percent in 2004 [Figure 2] as spending on Medicaid and federal employee health plans increased, while at the same time the 2001 recession and tax cuts contributed to lower growth in federal revenues. Since 2004, the share has declined to 28 percent as the economy continued to rebound and tax revenues accelerated, experiencing double digit growth for 2005 and 2006. [Table 3]

State and local governments financing mirrors the federal government in that Medicaid is the largest category, comprising 41 percent of spending in 2006. Medicaid spending growth slowed significantly to 0.7 percent in 2006. Other state and local programs, which now include state phase-down payments to the Medicare program under Part D, grew 15.5 percent. Despite this shift in spending, the share of state and local revenues<sup>3</sup> going to pay for health care has remained relatively stable since 2003 at approximately 24 percent but is still higher than it was in 2000, when it accounted for 20 percent. [Figure 2]

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<sup>2</sup> Federal revenues are federal receipts minus contributions for government social insurance.

<sup>3</sup> State and local revenues are minus contribution for government social insurance plus federal grants-in-aid.

**Table 1**  
**Expenditures for Health Services and Supplies, by Type of Payer: United States, Calendar Years 1987-2006**  
 [Amount in Billions]

| Type of Sponsor   | 1987    | 1988    | 1989    | 1990    | 1991    | 1992    | 1993    | 1994    | 1995    | 1996      | 1997      | 1998      | 1999      | 2000      | 2001      | 2002      | 2003      | 2004      | 2005      | 2006      |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Health Services and Supplies</b>   | \$477.8 | \$534.6 | \$595.9 | \$666.7 | \$731.5 | \$793.7 | \$853.2 | \$900.3 | \$952.8 | \$1,002.8 | \$1,054.2 | \$1,111.3 | \$1,180.1 | \$1,264.8 | \$1,376.1 | \$1,499.4 | \$1,620.7 | \$1,730.6 | \$1,843.6 | \$1,966.2 |
| <b>Business, Households and Other Private Revenues</b>  | 333.4   | 376.9   | 417.1   | 457.0   | 489.8   | 520.1   | 545.5   | 568.3   | 602.7   | 631.9     | 668.1     | 718.8     | 767.2     | 821.6     | 869.0     | 929.0     | 994.7     | 1051.5    | 1110.5    | 1176.5    |
| Private Business  | 122.1   | 137.8   | 157.4   | 177.3   | 190.5   | 205.4   | 218.9   | 230.8   | 243.4   | 259.3     | 266.0     | 286.3     | 313.5     | 342.4     | 368.3     | 391.3     | 419.5     | 444.3     | 470.1     | 496.8     |
| Employer Contribution to Private Health Insurance Premiums  | 84.2    | 96.3    | 112.3   | 128.6   | 137.0   | 147.9   | 158.3   | 165.8   | 175.9   | 188.8     | 191.5     | 207.5     | 229.3     | 251.1     | 271.9     | 294.1     | 318.7     | 338.5     | 360.4     | 381.1     |
| Employer Contribution to Medicare Hospital Insurance Trust Fund   | 24.6    | 26.2    | 28.0    | 29.4    | 32.7    | 34.4    | 35.8    | 40.4    | 43.1    | 45.8      | 49.5      | 53.8      | 57.5      | 62.2      | 63.3      | 63.1      | 64.6      | 68.8      | 72.5      | 77.3      |
| Workers compensation and temporary disability insurance and Industrial inplant health services                      | 13.3    | 15.3    | 17.1    | 19.3    | 20.8    | 23.1    | 24.7    | 24.5    | 24.5    | 24.8      | 25.0      | 25.0      | 26.7      | 29.0      | 33.0      | 34.2      | 36.1      | 37.0      | 37.2      | 38.3      |
| Household   | 188.9   | 213.0   | 232.4   | 250.9   | 268.0   | 281.0   | 290.7   | 300.0   | 317.7   | 328.0     | 353.4     | 380.1     | 399.2     | 425.4     | 447.6     | 482.9     | 515.3     | 546.3     | 575.7     | 611.6     |
| Employee Contribution to Private Health Insurance Premiums and Individual Policy Premiums                           | 43.9    | 53.7    | 62.0    | 69.0    | 77.8    | 83.7    | 89.9    | 92.0    | 99.1    | 101.5     | 112.4     | 119.9     | 123.8     | 133.6     | 146.9     | 167.4     | 182.4     | 195.2     | 203.0     | 211.3     |
| Employee and Self-Employment Contributions and Voluntary Premiums Paid to Medicare Hospital Insurance Trust Fund 1/ | 29.5    | 31.5    | 33.7    | 35.6    | 39.8    | 41.9    | 43.7    | 50.7    | 56.0    | 59.3      | 63.0      | 69.2      | 75.1      | 82.5      | 82.9      | 84.3      | 86.3      | 91.6      | 96.5      | 103.6     |
| Premiums Paid by Individuals to Medicare Supplementary Medical Insurance Trust Fund                                 | 6.2     | 8.7     | 11.2    | 10.1    | 10.3    | 12.1    | 11.9    | 14.4    | 16.4    | 15.1      | 15.5      | 15.5      | 16.3      | 16.3      | 18.0      | 19.7      | 21.7      | 24.6      | 29.0      | 40.1      |
| Out-of-pocket Health Spending   | 109.2   | 119.1   | 125.5   | 136.1   | 140.1   | 143.4   | 145.2   | 142.9   | 146.3   | 152.1     | 162.5     | 175.5     | 184.0     | 192.9     | 199.8     | 211.4     | 224.9     | 234.9     | 247.1     | 256.5     |
| Other Private Revenues  | 22.4    | 26.2    | 27.3    | 28.8    | 31.3    | 33.7    | 36.0    | 37.5    | 41.5    | 44.6      | 48.7      | 52.4      | 54.5      | 53.8      | 53.2      | 54.8      | 59.8      | 60.9      | 64.8      | 68.2      |
| <b>Governments</b>  | 144.4   | 157.7   | 178.8   | 209.7   | 241.6   | 273.6   | 307.7   | 332.0   | 350.1   | 370.9     | 386.2     | 392.4     | 413.0     | 443.2     | 507.1     | 570.4     | 626.0     | 679.1     | 733.1     | 789.6     |
| Federal government  | 73.9    | 79.7    | 92.1    | 110.6   | 130.8   | 154.1   | 176.2   | 185.8   | 197.2   | 213.0     | 219.9     | 214.3     | 221.1     | 235.7     | 277.0     | 316.7     | 352.0     | 384.2     | 411.6     | 449.5     |
| Employer Contribution to Private Health Insurance Premiums  | 4.9     | 6.4     | 8.1     | 9.9     | 9.8     | 10.7    | 11.5    | 11.9    | 11.4    | 11.3      | 11.4      | 11.4      | 13.2      | 14.3      | 15.8      | 17.7      | 19.7      | 21.6      | 23.1      | 24.3      |
| Employer Contribution to Medicare Hospital Insurance Trust Fund   | 1.7     | 1.8     | 1.9     | 2.0     | 2.2     | 2.2     | 2.3     | 2.4     | 2.3     | 2.4       | 2.4       | 2.5       | 2.5       | 2.7       | 2.7       | 2.9       | 3.1       | 3.3       | 3.4       | 3.5       |
| Adjusted Medicare 2/  | 16.9    | 16.1    | 21.0    | 27.0    | 29.5    | 38.7    | 49.0    | 51.5    | 57.6    | 66.7      | 69.9      | 57.8      | 50.2      | 48.9      | 67.7      | 81.3      | 91.3      | 105.3     | 118.6     | 152.9     |
| Health Program Expenditures (Excluding Medicare)  | 50.4    | 55.4    | 61.1    | 71.7    | 89.3    | 102.5   | 113.4   | 120.0   | 125.9   | 132.6     | 136.1     | 142.7     | 155.2     | 169.8     | 190.9     | 214.8     | 237.9     | 254.0     | 266.4     | 268.8     |
| Medicaid 3/   | 28.1    | 31.4    | 35.8    | 43.3    | 57.6    | 69.1    | 78.1    | 83.1    | 88.1    | 94.2      | 97.4      | 101.7     | 110.3     | 119.8     | 134.5     | 149.5     | 163.6     | 174.9     | 184.0     | 181.3     |
| Other Programs 4/   | 22.3    | 24.0    | 25.2    | 28.4    | 31.7    | 33.4    | 35.3    | 37.0    | 37.8    | 38.5      | 38.7      | 41.0      | 44.8      | 50.1      | 56.3      | 65.3      | 74.2      | 79.1      | 82.4      | 87.5      |
| State and local government  | 70.5    | 78.0    | 86.7    | 99.1    | 110.8   | 119.5   | 131.6   | 146.3   | 152.9   | 157.8     | 166.3     | 178.1     | 191.8     | 207.5     | 230.1     | 253.7     | 274.0     | 294.9     | 321.5     | 340.2     |
| Employer Contribution to Private Health Insurance Premiums  | 16.0    | 19.1    | 22.2    | 26.2    | 29.9    | 32.4    | 35.8    | 38.5    | 38.8    | 41.0      | 43.9      | 46.2      | 50.8      | 56.0      | 63.4      | 73.3      | 81.9      | 90.6      | 99.0      | 104.6     |
| Employer Contribution to Medicare Hospital Insurance Trust Fund   | 3.1     | 3.4     | 3.8     | 4.1     | 4.5     | 4.8     | 5.0     | 5.3     | 5.6     | 5.9       | 6.2       | 6.6       | 7.0       | 7.5       | 8.0       | 8.4       | 8.7       | 9.1       | 9.4       | 9.9       |
| Health Expenditures by Program  | 51.4    | 55.5    | 60.8    | 68.8    | 76.5    | 82.4    | 90.8    | 102.5   | 108.4   | 110.9     | 116.2     | 125.4     | 134.1     | 144.1     | 158.7     | 172.0     | 183.3     | 195.3     | 213.1     | 225.7     |
| Medicaid 3/   | 22.8    | 24.4    | 27.1    | 31.6    | 37.2    | 41.0    | 46.5    | 54.4    | 60.1    | 61.6      | 64.9      | 71.1      | 77.6      | 85.4      | 94.7      | 103.9     | 112.6     | 122.6     | 138.0     | 138.9     |
| Other Programs 5/   | 28.6    | 31.1    | 33.7    | 37.2    | 39.3    | 41.3    | 44.2    | 48.1    | 48.3    | 49.3      | 51.3      | 54.3      | 56.4      | 58.7      | 64.0      | 68.2      | 70.8      | 72.7      | 75.1      | 86.8      |

1/ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

2/ Excludes Medicaid buy-in premiums for Medicare. Includes RDS payments to private and state and local plans.

3/ Includes Medicaid buy-in premiums for Medicare.

4/ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other miscellaneous general hospital and medical programs, public health activities, Department of Defense, Department of Veterans Affairs, and State Children's Health Program (SCHIP)

5/ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, and state phase-down payments.

SOURCE: Centers for Medicare and Medicaid Services, Office of the Actuary: Data from the National Health Statistics Group

**Table 2**  
**Expenditures for Health Services and Supplies, by Type of Payer: United States, Calendar Years 1987-2006**  
 [Percent Distribution]

| Type of Sponsor   | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| <b>Health Services and Supplies</b>   | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| <b>Business, Households and Other Private Revenues</b>  | 70   | 71   | 70   | 69   | 67   | 66   | 64   | 63   | 63   | 63   | 63   | 65   | 65   | 65   | 63   | 62   | 61   | 61   | 60   | 60   |
| Private Business  | 26   | 26   | 26   | 27   | 26   | 26   | 26   | 26   | 26   | 26   | 25   | 26   | 27   | 27   | 27   | 26   | 26   | 26   | 25   | 25   |
| Employer Contribution to Private Health Insurance Premiums  | 18   | 18   | 19   | 19   | 19   | 19   | 19   | 18   | 18   | 19   | 18   | 19   | 19   | 20   | 20   | 20   | 20   | 20   | 20   | 19   |
| Employer Contribution to Medicare Hospital Insurance Trust Fund   | 5    | 5    | 5    | 4    | 4    | 4    | 4    | 4    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 4    | 4    | 4    | 4    | 4    |
| Workers compensation and temporary disability insurance and Industrial implant health services                      | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Household   | 40   | 40   | 39   | 38   | 37   | 35   | 34   | 33   | 33   | 33   | 34   | 34   | 34   | 34   | 33   | 32   | 32   | 32   | 31   | 31   |
| Employee Contribution to Private Health Insurance Premiums and Individual Policy Premiums                           | 9    | 10   | 10   | 10   | 11   | 11   | 11   | 10   | 10   | 10   | 11   | 11   | 10   | 11   | 11   | 11   | 11   | 11   | 11   | 11   |
| Employee and Self-Employment Contributions and Voluntary Premiums Paid to Medicare Hospital Insurance Trust Fund 1/ | 6    | 6    | 6    | 5    | 5    | 5    | 5    | 6    | 6    | 6    | 6    | 6    | 6    | 7    | 6    | 6    | 5    | 5    | 5    | 5    |
| Premiums Paid by Individuals to Medicare Supplementary Medical Insurance Trust Fund                                 | 1    | 2    | 2    | 2    | 1    | 2    | 1    | 2    | 2    | 2    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 2    | 2    |
| Out-of-pocket Health Spending   | 23   | 22   | 21   | 20   | 19   | 18   | 17   | 16   | 15   | 15   | 15   | 16   | 16   | 15   | 15   | 14   | 14   | 14   | 13   | 13   |
| Other Private Revenues  | 5    | 5    | 5    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 5    | 5    | 5    | 4    | 4    | 4    | 4    | 4    | 4    | 3    |
| <b>Governments</b>  | 30   | 29   | 30   | 31   | 33   | 34   | 36   | 37   | 37   | 37   | 37   | 35   | 35   | 35   | 37   | 38   | 39   | 39   | 40   | 40   |
| Federal government  | 15   | 15   | 15   | 17   | 18   | 19   | 21   | 21   | 21   | 21   | 21   | 19   | 19   | 19   | 20   | 21   | 22   | 22   | 22   | 23   |
| Employer Contribution to Private Health Insurance Premiums  | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Employer Contribution to Medicare Hospital Insurance Trust Fund Adjusted Medicare 2/                                | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Health Program Expenditures (Excluding Medicare)  | 11   | 10   | 10   | 11   | 12   | 13   | 13   | 13   | 13   | 13   | 13   | 13   | 13   | 13   | 14   | 14   | 15   | 15   | 14   | 14   |
| Medicaid 3/   | 6    | 6    | 6    | 6    | 8    | 9    | 9    | 9    | 9    | 9    | 9    | 9    | 9    | 9    | 10   | 10   | 10   | 10   | 10   | 9    |
| Other Programs 4/   | 5    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 5    | 5    | 4    | 4    |
| State and local government  | 15   | 15   | 15   | 15   | 15   | 15   | 15   | 16   | 16   | 16   | 16   | 16   | 16   | 16   | 17   | 17   | 17   | 17   | 17   | 17   |
| Employer Contribution to Private Health Insurance Premiums  | 3    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 5    | 5    | 5    | 5    | 5    | 5    |
| Employer Contribution to Medicare Hospital Insurance Trust Fund   | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Health Expenditures by Program  | 11   | 10   | 10   | 10   | 10   | 10   | 11   | 11   | 11   | 11   | 11   | 11   | 11   | 11   | 12   | 11   | 11   | 11   | 12   | 11   |
| Medicaid 3/   | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 6    | 6    | 6    | 6    | 6    | 7    | 7    | 7    | 7    | 7    | 7    | 7    | 7    |
| Other Programs 5/   | 6    | 6    | 6    | 6    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 4    | 4    | 4    | 4    |

1/ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

2/ Excludes Medicaid buy-in premiums for Medicare. Includes RDS payments to private and state and local plans.

3/ Includes Medicaid buy-in premiums for Medicare.

4/ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other miscellaneous general hospital and medical programs, public health activities, Department of Defense, Department of Veterans Affairs, and State Children's Health Program (SCHIP)

5/ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, and state phase-down payments.

Note: "0" denotes value less than .5 percent.

SOURCE: Centers for Medicare and Medicaid Services, Office of the Actuary: Data from the National Health Statistics Group

**Table 3**  
**Expenditures for Health Services and Supplies, by Type of Payer: United States, Calendar Years 1987-2006**  
 [Percent Change]

|  | 1988  | 1989  | 1990  | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998  | 1999  | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|-------|-------|-------|------|------|------|------|------|------|------|-------|-------|------|------|------|------|------|------|------|
| <b>Health Services and Supplies</b>  | 11.9% | 11.5% | 11.9% | 9.7% | 8.5% | 7.5% | 5.5% | 5.8% | 5.3% | 5.1% | 5.4%  | 6.2%  | 7.2% | 8.8% | 9.0% | 8.1% | 6.8% | 6.5% | 6.6% |
| <b>Business, Households and Other Private Revenues</b>   | 13.1  | 10.7  | 9.6   | 7.2  | 6.2  | 4.9  | 4.2  | 6.1  | 4.8  | 5.7  | 7.6   | 6.7   | 7.1  | 5.8  | 6.9  | 7.1  | 5.7  | 5.6  | 5.9  |
| Private Business   | 12.8  | 14.2  | 12.7  | 7.5  | 7.8  | 6.6  | 5.4  | 5.5  | 6.5  | 2.6  | 7.6   | 9.5   | 9.2  | 7.6  | 6.3  | 7.2  | 5.9  | 5.8  | 5.7  |
| Employer Contribution to Private Health Insurance Premiums   | 14.3  | 16.6  | 14.6  | 6.5  | 8.0  | 7.0  | 4.7  | 6.1  | 7.3  | 1.4  | 8.4   | 10.5  | 9.5  | 8.3  | 8.2  | 8.4  | 6.2  | 6.5  | 5.8  |
| Employer Contribution to Medicare Hospital Insurance Trust Fund  | 6.5   | 6.7   | 5.0   | 11.4 | 5.0  | 4.2  | 13.0 | 6.6  | 6.1  | 8.2  | 8.7   | 6.9   | 8.2  | 1.7  | -0.4 | 2.5  | 6.4  | 5.5  | 6.6  |
| Workers compensation and temporary disability insurance and Industrial<br>inplant health services                      | 14.6  | 12.0  | 12.6  | 7.9  | 10.9 | 7.2  | -0.8 | -0.2 | 1.2  | 1.0  | 0.1   | 6.6   | 8.9  | 13.7 | 3.5  | 5.8  | 2.5  | 0.3  | 3.1  |
| Household  | 12.8  | 9.1   | 7.9   | 6.8  | 4.8  | 3.4  | 3.2  | 5.9  | 3.2  | 7.7  | 7.6   | 5.0   | 6.6  | 5.2  | 7.9  | 6.7  | 6.0  | 5.4  | 6.2  |
| Employee Contribution to Private Health Insurance Premiums and<br>Individual Policy Premiums                           | 22.2  | 15.5  | 11.3  | 12.7 | 7.6  | 7.4  | 2.4  | 7.7  | 2.5  | 10.7 | 6.7   | 3.3   | 7.9  | 9.9  | 14.0 | 9.0  | 7.0  | 4.0  | 4.1  |
| Employee and Self-Employment Contributions and Voluntary Premiums<br>Paid to Medicare Hospital Insurance Trust Fund 1/ | 6.7   | 7.1   | 5.7   | 11.7 | 5.2  | 4.5  | 15.9 | 10.4 | 5.9  | 6.3  | 9.8   | 8.5   | 10.0 | 0.5  | 1.7  | 2.4  | 6.1  | 5.4  | 7.3  |
| Premiums Paid by Individuals to Medicare Supplementary Medical<br>Insurance Trust Fund                                 | 41.4  | 28.8  | -10.0 | 2.0  | 17.1 | -1.6 | 21.0 | 14.1 | -7.7 | 2.2  | 0.3   | 4.8   | 0.1  | 10.4 | 9.8  | 9.9  | 13.6 | 17.9 | 38.3 |
| Out-of-pocket Health Spending  | 9.0   | 5.4   | 8.5   | 2.9  | 2.3  | 1.3  | -1.5 | 2.4  | 3.9  | 6.9  | 8.0   | 4.9   | 4.8  | 3.6  | 5.8  | 6.4  | 4.5  | 5.2  | 3.8  |
| Other Private Revenues   | 16.9  | 4.4   | 5.5   | 8.5  | 7.8  | 6.7  | 4.3  | 10.7 | 7.4  | 9.2  | 7.6   | 3.9   | -1.3 | -1.1 | 3.0  | 9.2  | 1.8  | 6.3  | 5.2  |
| <b>Governments</b>   | 9.2   | 13.4  | 17.3  | 15.2 | 13.2 | 12.5 | 7.9  | 5.4  | 5.9  | 4.1  | 1.6   | 5.2   | 7.3  | 14.4 | 12.5 | 9.7  | 8.5  | 8.0  | 7.7  |
| Federal government   | 7.9   | 15.4  | 20.1  | 18.2 | 17.9 | 14.3 | 5.5  | 6.1  | 8.0  | 3.2  | -2.5  | 3.2   | 6.6  | 17.5 | 14.3 | 11.1 | 9.1  | 7.1  | 9.2  |
| Employer Contribution to Private Health Insurance Premiums   | 32.1  | 26.0  | 22.1  | -0.8 | 9.0  | 7.8  | 3.5  | -4.4 | -0.3 | 0.5  | 0.2   | 15.7  | 8.2  | 10.2 | 12.1 | 11.6 | 9.4  | 7.3  | 5.0  |
| Employer Contribution to Medicare Hospital Insurance Trust Fund<br>Adjusted Medicare 2/                                | 6.3   | 5.9   | 4.9   | 7.3  | 2.7  | 1.1  | 3.9  | -0.1 | 1.6  | 1.7  | 1.1   | 3.1   | 5.0  | 2.8  | 6.8  | 6.0  | 5.8  | 4.1  | 2.9  |
| Health Program Expenditures (Excluding Medicare)   | -4.9  | 30.6  | 28.8  | 9.2  | 31.1 | 26.5 | 5.1  | 11.9 | 15.7 | 4.9  | -17.4 | -13.1 | -2.6 | 38.4 | 20.2 | 12.3 | 15.2 | 12.7 | 28.9 |
| Medicaid 3/  | 9.9   | 10.2  | 17.4  | 24.6 | 14.8 | 10.6 | 5.8  | 4.8  | 5.4  | 2.6  | 4.8   | 8.8   | 9.4  | 12.4 | 12.5 | 10.7 | 6.8  | 4.9  | 0.9  |
| Other Programs 4/  | 11.8  | 14.0  | 20.7  | 33.2 | 20.0 | 13.0 | 6.3  | 6.1  | 6.9  | 3.4  | 4.4   | 8.5   | 8.5  | 12.3 | 11.1 | 9.5  | 6.9  | 5.2  | -1.5 |
| State and local government   | 7.5   | 5.1   | 12.8  | 11.4 | 5.5  | 5.7  | 4.8  | 2.2  | 1.8  | 0.8  | 5.8   | 9.3   | 11.7 | 12.5 | 15.9 | 13.7 | 6.5  | 4.1  | 6.2  |
| Employer Contribution to Private Health Insurance Premiums   | 10.6  | 11.3  | 14.2  | 11.9 | 7.8  | 10.1 | 11.2 | 4.5  | 3.3  | 5.4  | 7.1   | 7.7   | 8.2  | 10.9 | 10.2 | 8.0  | 7.6  | 9.0  | 5.8  |
| Employer Contribution to Medicare Hospital Insurance Trust Fund  | 19.4  | 16.3  | 18.0  | 14.1 | 8.4  | 10.5 | 7.5  | 1.0  | 5.7  | 6.9  | 5.2   | 9.9   | 10.3 | 13.2 | 15.6 | 11.8 | 10.5 | 9.3  | 5.6  |
| Health Expenditures by Program   | 9.1   | 9.8   | 9.4   | 9.0  | 6.2  | 4.9  | 6.8  | 5.5  | 4.5  | 5.5  | 5.6   | 6.7   | 6.9  | 6.9  | 5.2  | 3.3  | 4.3  | 4.0  | 4.9  |
| Medicaid 3/  | 7.9   | 9.6   | 13.1  | 11.2 | 7.7  | 10.2 | 12.9 | 5.8  | 2.3  | 4.8  | 7.9   | 6.9   | 7.5  | 10.2 | 8.4  | 6.6  | 6.5  | 9.1  | 5.9  |
| Other Programs 5/  | 7.0   | 11.3  | 16.5  | 17.7 | 10.3 | 13.4 | 16.8 | 10.5 | 2.6  | 5.4  | 9.5   | 9.2   | 10.0 | 10.9 | 9.7  | 8.4  | 8.9  | 12.5 | 0.7  |
| Other Programs 5/  | 8.7   | 8.3   | 10.4  | 5.7  | 5.2  | 7.1  | 8.8  | 0.4  | 2.0  | 4.1  | 5.8   | 4.0   | 4.0  | 9.1  | 6.4  | 3.8  | 2.7  | 3.4  | 15.5 |

1/ Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund and taxation of Social Security benefits.

2/ Excludes Medicaid buy-in premiums for Medicare. Includes RDS payments to private and state and local plans.

3/ Includes Medicaid buy-in premiums for Medicare

4/ Includes maternal and child health, vocational rehabilitation, Substance Abuse and Mental Health Services Administration, Indian Health Service, Office of Economic Opportunity (1965-74), Federal workers' compensation, and other miscellaneous general hospital and medical programs, public health activities, Department of Defense, Department of Veterans Affairs, and State Children's Health Program (SCHIP)

5/ Includes other public and general assistance, maternal and child health, vocational rehabilitation, public health activities, hospital subsidies, and state phase-down payments.

SOURCE: Centers for Medicare and Medicaid Services, Office of the Actuary: Data from the National Health Statistics Group

**Table 4**  
**Expenditures for Private Health Insurance, by Sponsor: United States, Calendar Years 1987-2006**

| Sponsor   | 1987    | 1992      | 1997      | 2000      | 2001  | 2002      | 2003      | 2004      | 2005      | 2006      |  |
|---|---------|-----------|-----------|-----------|---|-----------|-----------|-----------|-----------|-----------|--|
|   |         |           |           |           | Amount in Billions                                    |           |           |           |           |           |  |
| Total Private Health Insurance Premiums <sup>a</sup>            | \$149.0 | \$274.7   | \$359.1   | \$455.1   | \$498.0   | \$552.5   | \$602.8   | \$645.8   | \$685.6   | \$721.3   |  |
| Employer Sponsored Private Health Insurance Premiums            | 136.6   | 252.6     | 335.1     | 426.5     | 468.0   | 518.5     | 565.6     | 608.3     | 650.9     | 685.5     |  |
| Employer Contribution to Private Health Insurance Premiums      | 105.0   | 191.0     | 246.8     | 321.4     | 351.1   | 385.0     | 420.4     | 450.6     | 482.6     | 510.0     |  |
| Federal   | 4.9     | 10.7      | 11.4      | 14.3      | 15.8  | 17.7      | 19.7      | 21.6      | 23.1      | 24.3      |  |
| Nonfederal  | 100.2   | 180.3     | 235.3     | 307.1     | 335.3   | 367.4     | 400.7     | 429.1     | 459.4     | 485.7     |  |
| Private   | 84.2    | 147.9     | 191.5     | 251.1     | 271.9   | 294.1     | 318.7     | 338.5     | 360.4     | 381.1     |  |
| State and Local   | 16.0    | 32.4      | 43.9      | 56.0      | 63.4  | 73.3      | 81.9      | 90.6      | 99.0      | 104.6     |  |
| Employee Contribution to Private Health Insurance Premiums      | 31.5    | 61.6      | 88.4      | 105.1     | 116.9   | 133.4     | 145.2     | 157.7     | 168.3     | 175.5     |  |
| Federal   | 2.4     | 3.5       | 4.1       | 5.3       | 5.9   | 6.6       | 7.3       | 8.0       | 8.4       | 9.2       |  |
| Nonfederal  | 29.1    | 58.0      | 84.3      | 99.8      | 110.9   | 126.8     | 137.8     | 149.8     | 159.9     | 166.3     |  |
| Private   | 24.9    | 49.5      | 71.8      | 85.2      | 94.5  | 108.2     | 118.0     | 128.4     | 136.1     | 141.0     |  |
| State and Local   | 4.2     | 8.5       | 12.4      | 14.7      | 16.4  | 18.6      | 19.8      | 21.4      | 23.8      | 25.3      |  |
| Individual Policy Premiums                                      | 12.4    | 22.1      | 24.0      | 28.5      | 30.0  | 34.0      | 37.3      | 37.5      | 34.7      | 35.8      |  |
| Number of Enrollees (In Millions)                               | 181.4   | 184.7     | 188.1     | 197.2     | 196.1   | 195.3     | 194.3     | 195.4     | 195.6     | 196.1     |  |
| Per Enrollee Estimates of Private Health Insurance (In Dollars) | \$821.3 | \$1,487.6 | \$1,909.2 | \$2,307.7 | \$2,539.2   | \$2,828.3 | \$3,101.9 | \$3,305.6 | \$3,504.9 | \$3,678.0 |  |
|   |         |           |           |           | Percent Growth  |           |           |           |           |           |  |
| Total Private Health Insurance Premiums <sup>a</sup>            |         | 13.0%     | 5.5%      | 8.2%      | 9.4%  | 10.9%     | 9.1%      | 7.1%      | 6.2%      | 5.2%      |  |
| Employer Sponsored Private Health Insurance Premiums            |         | 13.1      | 5.8       | 8.4       | 9.7   | 10.8      | 9.1       | 7.6       | 7.0       | 5.3       |  |
| Employer Contribution to Private Health Insurance Premiums      |         | 12.7      | 5.3       | 9.2       | 9.2   | 9.7       | 9.2       | 7.2       | 7.1       | 5.7       |  |
| Federal   |         | 17.1      | 1.3       | 7.8       | 10.2  | 12.1      | 11.6      | 9.4       | 7.3       | 5.0       |  |
| Nonfederal  |         | 12.5      | 5.5       | 9.3       | 9.2   | 9.6       | 9.1       | 7.1       | 7.1       | 5.7       |  |
| Private   |         | 11.9      | 5.3       | 9.5       | 8.3   | 8.2       | 8.4       | 6.2       | 6.5       | 5.8       |  |
| State and Local   |         | 15.2      | 6.3       | 8.5       | 13.2  | 15.6      | 11.8      | 10.5      | 9.3       | 5.6       |  |
| Employee Contribution to Private Health Insurance Premiums      |         | 14.3      | 7.5       | 5.9       | 11.2  | 14.2      | 8.8       | 8.6       | 6.7       | 4.3       |  |
| Federal   |         | 8.0       | 3.0       | 8.7       | 12.3  | 11.4      | 11.2      | 8.3       | 5.6       | 9.0       |  |
| Nonfederal  |         | 14.8      | 7.7       | 5.8       | 11.1  | 14.3      | 8.7       | 8.7       | 6.8       | 4.0       |  |
| Private   |         | 14.8      | 7.7       | 5.8       | 11.0  | 14.5      | 9.1       | 8.8       | 6.0       | 3.6       |  |
| State and Local   |         | 15.0      | 7.9       | 5.6       | 12.1  | 13.2      | 6.4       | 7.9       | 11.5      | 6.4       |  |
| Individual Policy Premiums                                      |         | 12.3      | 1.6       | 6.0       | 5.2   | 13.3      | 9.6       | 0.6       | -7.4      | 3.2       |  |
| Number of Enrollees   |         | 0.4       | 0.4       | 1.6       | -0.5  | -0.4      | -0.5      | 0.5       | 0.1       | 0.3       |  |
| Per Enrollee Estimates of Private Health Insurance              |         | 12.6      | 5.1       | 6.5       | 10.0  | 11.4      | 9.7       | 6.6       | 6.0       | 4.9       |  |
|   |         |           |           |           | Employer Share of Employer Sponsored Health Insurance |           |           |           |           |           |  |
| Employer-Sponsored Private Health Insurance                     | 76.9%   | 75.6%     | 73.6%     | 75.4%     | 75.0%   | 74.3%     | 74.3%     | 74.1%     | 74.1%     | 74.4%     |  |
| Federal   | 66.9    | 75.1      | 73.5      | 73.0      | 72.7  | 72.8      | 72.9      | 73.1      | 73.4      | 72.6      |  |
| Private   | 77.2    | 74.9      | 72.7      | 74.7      | 74.2  | 73.1      | 73.0      | 72.5      | 72.6      | 73.0      |  |
| State and Local   | 79.1    | 79.1      | 77.9      | 79.2      | 79.4  | 79.7      | 80.5      | 80.9      | 80.6      | 80.5      |  |

SOURCE :Centers for Medicare & Medicaid Services, Office of the Actuary: National Health Statistics Group and Office of Personnel Management.

<sup>a</sup> Does not include the Retiree Drug Subsidy (RDS) payments from Medicare to private and state and local plans.

**Table 5**  
**Expenditures for Medicare by Sponsor: United States, Selected Calendar Years 1987-2006**

| <b>Sponsor Category</b>  | 1987                                    | 1992    | 1997    | 2000    | 2001    | 2002    | 2003    | 2004    | 2005    | 2006    |
|--|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | Billions                                |         |         |         |         |         |         |         |         |         |
| Medicare <sup>1</sup>  | \$82.1                                  | \$134.0 | \$206.6 | \$220.1 | \$242.6 | \$259.7 | \$275.7 | \$302.6 | \$329.5 | \$387.4 |
| Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes <sup>a</sup>    | 24.6                                    | 34.4    | 49.5    | 62.2    | 63.3    | 63.1    | 64.6    | 68.8    | 72.5    | 77.3    |
| Households   | 35.7                                    | 53.9    | 78.5    | 98.8    | 100.9   | 104.0   | 108.0   | 116.2   | 125.6   | 143.8   |
| Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund <sup>a,b</sup> | 29.5                                    | 41.9    | 63.0    | 82.5    | 82.9    | 84.3    | 86.3    | 91.6    | 96.5    | 103.6   |
| Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)          | 6.2                                     | 12.1    | 15.5    | 16.3    | 18.0    | 19.7    | 21.7    | 24.6    | 29.0    | 40.1    |
| Federal Government   | 18.6                                    | 40.9    | 72.4    | 51.5    | 70.4    | 84.2    | 94.4    | 108.5   | 122.0   | 156.4   |
| Employer Medicare HI Trust Fund Payroll Taxes                                      | 1.7                                     | 2.2     | 2.4     | 2.7     | 2.7     | 2.9     | 3.1     | 3.3     | 3.4     | 3.5     |
| Spending from General Revenues <sup>c</sup>  | 16.9                                    | 38.7    | 69.9    | 48.9    | 67.7    | 81.3    | 91.3    | 105.3   | 118.6   | 152.9   |
| State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes          | 3.1                                     | 4.8     | 6.2     | 7.5     | 8.0     | 8.4     | 8.7     | 9.1     | 9.4     | 9.9     |
|  | Percent Distribution                    |         |         |         |         |         |         |         |         |         |
| Medicare <sup>1</sup>  | 100%                                    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    | 100%    |
| Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes <sup>a</sup>    | 30                                      | 26      | 24      | 28      | 26      | 24      | 23      | 23      | 22      | 20      |
| Households   | 43                                      | 40      | 38      | 45      | 42      | 40      | 39      | 38      | 38      | 37      |
| Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund <sup>a,b</sup> | 36                                      | 31      | 31      | 38      | 34      | 32      | 31      | 30      | 29      | 27      |
| Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)          | 8                                       | 9       | 7       | 7       | 7       | 8       | 8       | 8       | 9       | 10      |
| Federal Government   | 23                                      | 31      | 35      | 23      | 29      | 32      | 34      | 36      | 37      | 40      |
| Employer Medicare HI Trust Fund Payroll Taxes                                      | 2                                       | 2       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Spending from General Revenues <sup>c</sup>  | 21                                      | 29      | 34      | 22      | 28      | 31      | 33      | 35      | 36      | 39      |
| State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes          | 4                                       | 4       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       |
|  | Percent Growth from Previous Year Shown |         |         |         |         |         |         |         |         |         |
| Medicare <sup>1</sup>  |   | 10.3%   | 9.0%    | 4.0%    | 10.2%   | 7.1%    | 6.2%    | 9.7%    | 8.9%    | 17.6%   |
| Private Businesses-- Employer Medicare HI Trust Fund Payroll Taxes <sup>a</sup>    |   | 6.9%    | 7.6%    | 7.6%    | 1.7%    | -0.4%   | 2.5%    | 6.4%    | 5.5%    | 6.6%    |
| Households   |   | 8.6%    | 7.8%    | 6.4%    | 2.1%    | 3.1%    | 3.8%    | 7.6%    | 8.1%    | 14.5%   |
| Employee Payroll Taxes and Voluntary Premiums Paid to HI Trust Fund <sup>a,b</sup> |   | 7.2%    | 8.5%    | 8.1%    | 0.5%    | 1.7%    | 2.4%    | 6.1%    | 5.4%    | 7.3%    |
| Premiums paid by Individuals to Medicare SMI Trust Fund (includes Part-D)          |   | 14.4%   | 5.1%    | -0.2%   | 10.4%   | 9.8%    | 9.9%    | 13.6%   | 17.9%   | 38.3%   |
| Federal Government   |   | 17.1%   | 12.1%   | -3.0%   | 36.6%   | 19.7%   | 12.1%   | 14.9%   | 12.4%   | 28.2%   |
| Employer Medicare HI Trust Fund Payroll Taxes                                      |   | 5.4%    | 1.6%    | 2.5%    | 2.8%    | 6.8%    | 6.0%    | 5.8%    | 4.1%    | 2.9%    |
| Spending from General Revenues <sup>c</sup>  |   | 18.0%   | 12.6%   | -3.2%   | 38.4%   | 20.2%   | 12.3%   | 15.2%   | 12.7%   | 28.9%   |
| State and Local Government--Employer Medicare HI Trust Fund Payroll Taxes          |   | 8.7%    | 5.5%    | 5.8%    | 6.9%    | 5.2%    | 3.3%    | 4.3%    | 4.0%    | 4.9%    |

**Source:** Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group.

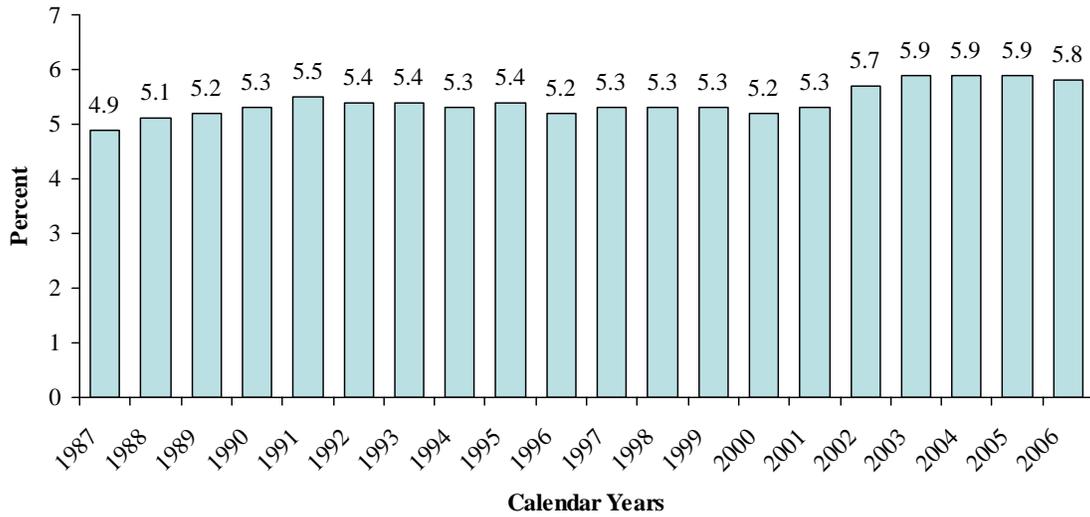
<sup>a</sup> Includes one-half of self-employment contribution to Medicare Hospital Insurance Trust Fund.

<sup>b</sup> Includes Trust Fund revenues from the income taxation of Social Security benefits.

<sup>c</sup> Equal to the difference between total outlays and the dedicated financing sources of Medicare. Includes the Retiree Drug Subsidy (RDS) payments to private and state and local plans.

<sup>1</sup> Medicaid buy-ins for Medicare eligibles are allocated to Medicaid. In the traditional National Health Expenditure Accounts (NHEA), they are included with Medicare. State phase-down payments are reallocated from Medicare to state and local governments.

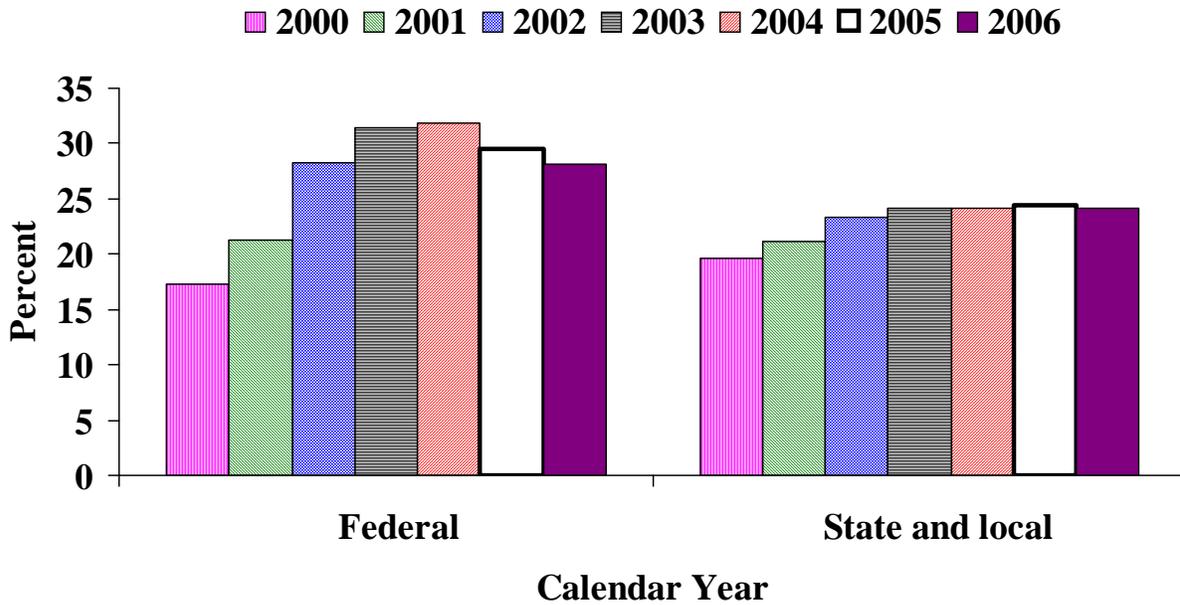
**Figure 1**  
**Household Health Spending as a Percent of Person Income<sup>1</sup>:**  
**Calendar Years 2000-2006**



<sup>1</sup> Adjustments to personal income include the addition of contributions to social insurance for Medicare, since they are included in individuals' health spending, and the exclusion of health benefit payments

Sources:Centers for Medicare & Medicaid Services, Office of the Actuary: Data from the National Health Statistics Group, 1987-2006; U.S. Department of Commerce, Bureau of Economic Analysis, January, 2007.

**Figure 2**  
**Health Spending as a Percent of Revenues, Calendar Years 2000-2006**



Sources:Centers for Medicare & Medicaid Services, Office of the Actuary: Data from the National Health Statistics Group, 1987-2006 and Bureau of Economic Analysis, 2007.